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*Counsel for Official Committee of Unsecured
Creditors*

General Counsel for Chapter 11 Trustee

**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
SANTA ANA DIVISION**

In re:

Chapter 11

THE LITIGATION PRACTICE GROUP,
P.C.,

Case No. 8:23-bk-10571-SC

Debtor.

**NOTICE OF PROPOSED REVISED
TREATMENT OF CLASS 3B AND
RELATED DISCLOSURE**

Hearing Date and Time

Date: May 15, 2024

Time: 1:30 p.m.

Place: *In Person or Via ZoomGov*

Courtroom 5C

411 West Fourth Street

Santa Ana, California 92701

PLEASE TAKE NOTICE that on May 15, 2024, at 1:30 p.m., the above-captioned Court will hold a hearing in Courtroom 5C, located at 411 W. Fourth Street, Santa Ana, CA 92701, on the motion [Docket No. 1059] (the “Motion”)¹ filed by the Official Committee of Unsecured Creditors (the “Committee”) of The Litigation Practice Group P.C. (the “Debtor”), in the above-referenced bankruptcy case (the “Bankruptcy Case”) pending under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”)² and Richard A. Marshack, in his capacity as the chapter 11 trustee of the Debtor (the “Trustee” and, together with the Committee, the “Plan Proponents”) seeking, *inter alia*, approval of the *Disclosure Statement Describing Joint Chapter 11 Plan of Liquidation (Dated May 22, 2024)* [Docket No. 1058] (the “Disclosure Statement”) describing the related plan [Docket No. 1057] (the “Plan”).

PLEASE TAKE FURTHER NOTICE that the modified, extended bar date for holders of certain consumer claims expired on March 25, 2024, after the Plan Proponents filed the Plan and Disclosure Statement. Following the expiration of the extended bar date, the Plan Proponents further analyzed all claims filed in the Bankruptcy Case for the purpose of determining the most efficient potential treatment for the proposed Consumer Client Convenience Class, which is set forth as Class 3B in the Plan and related Disclosure Statement.

PLEASE TAKE FURTHER NOTICE that, as a result of the negotiations between the Plan Proponents, the Plan Proponents have agreed to modify the treatment and description of Class 3B in the Plan and Disclosure Statement as follows:

3B	Consumer Client Convenience Class This Class is comprised of any former client of the Debtor that is the Holder of a properly Filed and supported General Unsecured Claim otherwise treatable under Class 3A of this Plan that elects	Impaired; Entitled to Vote	Unless the Holder of an Allowed Class 3B Claim agrees to less favorable treatment, the Holder of an Allowed Class 3B Claim that elects to treatment in Class 3B will receive on the Effective Date a Trust Beneficial Interest equal to <u>30% of the amounts, reflected in the Debtor’s books and records, that were paid to and received by the Debtor from such former client</u> the lesser of (i) one monthly payment made by such Holder to the Debtor; or
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¹ Unless otherwise defined herein, all capitalized terms have the definitions set forth in the Motion.

² Unless otherwise noted, all references to “Section” or “§” refer to a section of the Bankruptcy Code.

(2) \$1,000. Electing treatment in Class 3B and accepting an Allowed Class 3B Claim does not entitle such Holder to payment in full of such Class 3B Claim, which will be paid Pro Rata with all Allowed Class 3A and Class 3B Claims. Such Holder of an Allowed Class 3B Claim will become a Trust Beneficiary in full and final satisfaction of its Allowed Class 3B Claim.

A Holder's affirmative election to participate in Class 3B will be deemed a vote in favor of the Plan.

Holders of Class 3B Claims will be deemed to have expressly waived any other General Unsecured Claim in excess of the Allowed amount of such Holder's Class 3B Claim. Moreover, such Holder of an Allowed Class 3B ~~General Unsecured~~ Claim expressly waives all claims, rights, and defenses that would otherwise exist against the Estate. In exchange for the foregoing waiver and release, the Estate and Liquidating Trust will expressly waive any objection to a Class 3B Claim except for objections based on failure to timely file such Claim ~~or failure to provide adequate documentation or support for such Claim.~~

The Plan Proponents submit that the foregoing, modified treatment will limit the administrative cost of claims analysis, reconciliation, and objections by permitting consumer clients that opt-in to Class 3B to consent to an allowed claim based on the Debtor's books and records. Accordingly, the Plan

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Proponents have agreed to the modified treatment as a more attractive option for consumer clients and that will serve to materially limit costs and expenses of postconfirmation administration for the benefit of all creditors.

DATED this 14th day of May, 2024.

FOX ROTHSCHILD LLP

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PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is 10250 Constellation Boulevard, Suite 900, Los Angeles, CA 90067.

A true and correct copy of the foregoing documents entitled: NOTICE OF PROPOSED REVISED TREATMENT OF CLASS 3B AND RELATED DISCLOSURE on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On 5/14/2024, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- Bradford Barnhardt bbarnhardt@marshackhays.com, bbarnhardt@ecf.courtdrive.com, alinares@ecf.courtdrive.com
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- Reina Zepeda rzepeda@omniagnt.com

2. SERVED BY UNITED STATES MAIL: On 5/14/2024, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows.

Debtor

The Litigation Practice Group P.C.
17542 17th St., Suite 100
Tustin, CA 92780

See attached for additional parties

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on 5/14/2024, I served the following persons and/or entities by personal delivery, mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

The Honorable Scott C. Clarkson
United States Bankruptcy Court, Central District of California
411 West Fourth Street, Suite 5130 / Courtroom 5C
Santa Ana, CA 92701-4593

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

5/14/2024

Kimberly Hoang

/s/ Kimberly Hoang

Date

Printed Name

Signature

Additional Parties Served by U.S. Mail

Creditors who have the 20 largest unsecured claims

Debt Validation Fund II, LLC
5075 Lower Valley Road,
Atglen, PA 19310

MC DVI Fund 1, LLC; MC
DVI Fund 2, LLC
598 Cottonwood Dr.,
Glenview, IL 60026

Validation Partners LLC
1300 Sawgrass Pkwy, Ste. 110
Sunrise, FL 33323

Marich Bein LLC
99 Wall Street, Ste 2669
New York, NY 10005

Business Centers of America
1100 Sir Francis Drake Blvd,
Ste 1, Kentfield, CA 94904

JP Morgan Chase
3 Park Plaza, Ste 900
Irvine, CA 92614

CA Franchise Tax Board
PO Box 942857
Sacramento, CA 94257-0511

Outsource Accelerator Ltd
City Marque Limited
Unit 8801-2 Bldg. 244-248
Des Voeux Rd.
Central Hong Kong

Collaboration Advisors
400 Dorla Court
Zephyr Cove, NV 89448

Anthem Blue Cross

1 PO Box 511300
2 Los Angeles, CA 90051-7855

3 Azevedo Solutions Groups, Inc.
4 420 Adobe Canyon Rd.
5 Kenwood, CA 95452

6 Debt Pay Pro
7 1900 E Golf Road, Suite 550
8 Schaumburg, IL 60173

9 Sharp Business Systems
10 8670 Argent St
11 Santee, CA 92071

12 Tustin Executive Center
13 1630 S Sunkist Steet, Ste A
14 Anaheim, CA 92806

15 Exela Enterprise Solutions
16 2701 E. Grauwyler Road
17 Irving, TX 75061

18 Netsuite-Oracle
19 2300 Oracle Way
20 Austin, TX 78741

21 Credit Reporting Service Inc
22 548 Market St, Suite 72907
23 San Francisco, CA 94104-5401

24 Document Fulfillment Services
25 2930 Ramona Ave #100
26 Sacramento, CA 95826

27 Executive Center LLC
28 5960 South Jones Blvd
Las Vegas, NV 89118

LexisNexus
15500 B Rockfield Blvd
Irvine, CA 92618

Secured Creditors

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323 Sunny Isles Blvd., Suite 503
Sunny Isles, FL 33154

City Capital NY
1135 Kane Concourse
Bay Harbour Islands, FL 33154

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2 Mitchell B. Ludwig
3 Knapp, Petersen & Clarke
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5 Glendale, CA 91203

6 Counsel for Debt Validation Fund II, LLC,
7 MC DVI Fund 1, LLC, and MC DVI Fund 2, LLC
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